

RD AN No. 4186 (4287-B and 4280-B)

May 11, 2006

SUBJECT: Business and Industry Guaranteed Loan and Section 9006  
Renewable Energy Systems and Energy Efficiency Improvement  
Guaranteed Loan Program – Annual Lender Visit and Agency Conference

TO: State Directors  
Rural Development

ATTN: Business Program Directors

**PURPOSE/INTENDED OUTCOME:**

A recent audit was conducted by the Office of Inspector General (OIG), and this Administrative Notice (AN) is to clarify guidance issued by OIG.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN No. 4085, dated May 27, 2005, which expires on May 31, 2006.

**IMPLEMENTATION RESPONSIBILITIES:**

RD Instruction 4287-B, section 4287.107(c) states, “At the Agency’s request, the lender will meet with the Agency to ascertain how the guaranteed loan is being serviced and that the conditions and covenants of the Loan Agreement are being enforced. The Agency will hold meetings with the lender at least annually. The Agency, at a minimum, will remind the lender of its servicing responsibilities under the Lender’s Agreement during the field visit, review the lender’s latest financial analysis, and check the loan classification. It is suggested that the application of loan payments also be reviewed...”.

You should establish a calendar at the beginning of the year that schedules a lender visit on each Business and Industry (B&I) and Section 9006 Guaranteed Loan.

**EXPIRATION DATE:**  
May 31, 2007

**FILING INSTRUCTIONS:**  
Preceding RD Instruction 4287-B and 4280-B

However, lenders with delinquent borrowers should be given priority. Thus, please work to ensure lender visits to B&I and Section 9006 guaranteed problem, delinquent, and loans in liquidation are scheduled for visitation prior to scheduling field visits on current B&I and Section 9006 loans.

If you have any questions, please contact the B&I Loan Servicing Branch at (202) 690-4103 or the Specialty Lenders Division Servicing Branch at (202) 690-3809.

*(Signed by Jackie J. Gleason)*

JACKIE J. GLEASON  
Acting Administrator  
Business and Cooperative Programs